

State Employee Medical Plan Rates ...

Fiscal Year 2004 Monthly Premium Rates

The fiscal year 2004 monthly contribution rates for State of Idaho Employee-paid Medical, Vision and Dental coverage in the new one module premium structure are as follows:

(Note: There is no overall premium increase in dental coverage for FY04).

Medical, Vision, Dental	Employee Only	**Employee Plus Spouse	**Employee Plus Child	**Employee Plus 2 or More Children	**Employee Plus Spouse & Child (ren)
BlueShield Medical	\$24.00	\$60.00	\$39.00	\$54.00	\$81.00
Vision Service Plan (VSP)	\$0.00	\$2.00	\$3.00	\$3.00	\$6.00
Delta Dental	\$4.00	\$24.00	\$20.00	\$31.00	\$40.00

Employees previously enrolled as a Split will now enroll in either Employee Plus Child or Employee Plus 2 or More Children. ** Note additional premium tiers



**Department
of Administration**

Employee Health Benefit Programs
650 West State Street, Room 100
Boise, Idaho 83720-0079
1-800 531-0597 (208) 332-1860

Employee Health Insurance Survey
and related information is
accessible at:

www2.state.id.us/empportal/

Revised January 2004

Summary of Blue Shield Medical Plan Benefits FY2004

Annual Deductible	\$350/person; \$1,050/family maximum
Annual Coinsurance Out-of-Pocket Maximum	\$4,300/person (includes deductible)
Physician Office Visit	80% of Allowable Charges
Hospital Inpatient Services	80% of Allowable Charges
Outpatient Surgery	80% of Allowable Charges
Prescription Drugs	<p>Participating Pharmacy: Generic—\$12 co-pay Brand Without Generic Equivalent—\$18 co-pay</p> <p>Brand With Generic Equivalent—\$40 co-pay plus cost difference between brand and generic</p> <p><i>A 90 day supply of a maintenance drug can be obtained for two (2) co-pays</i></p>
Emergency Room Visit	\$100 co-pay, then covered at 80% of Allowable Charges (co-pay waived if admitted)

(over)

FY 2003 Insurance Facts ...

- The total cost of the **State's contribution** to the active Medical Plan (Medical, Dental and IBHP) for FY 2003, was **\$95,459,600**.
- The State's **paid portion of the Medical Plan premium** (Medical, Dental, IBHP, Vision, increased from **\$403.06** per month (FY03) to **\$472.73** per month (FY04) or an additional **\$69.67** per employee, per month. This means the State paid an additional **\$836.04** for each employee for FY 04.
- At the end of FY03, **18,076** active employees and **23,022** of their dependants were enrolled in the state's Medical Plan for a total of **41,098** covered lives.
- "Prescription drug cost increases will continue in the 18% - 20% range for at least the next three years, moderating to 14% - 16% in the subsequent two years."
— *National Healthcare Statistics*

How the Insurance Plan Works

The State contributes toward the cost of the medical/dental coverage for each employee.

Last year, rising costs compounded by the state's budget deficit prompted major design changes to the Medical Plan.

Both **Governor Kempthorne** and the **Idaho Legislature** continued to take a strong position to support the health insurance plan, minimizing the impact on state employees.

In spite of increases to total plan costs in excess of 20% for each of the past two years, the State has continued to pay 90% of the cost of our premium. During extremely tight budget years, this has been significant.

The Department of Administration is remarketing the Medical and the Integrated Behavioral Health Care Plan (IBHP) contracts for Fiscal Year 2005.

Who's Submitting Claims? (Active Employees)

During a twelve month period ending June 30, 2003:

- **31%** of all active employees and dependents enrolled in the Medical Plan submitted **no claims**. **34%** filed claims that fell between \$1 and \$500. These two groups combined, accounted for **65%** of the total number of covered plan members, but only **3%** of the total plan costs or \$2,848,505.
- **18%** of the group had claims between \$501 and \$2,000 (11% total claims) or \$10,113,215. **14%** had claims totaling between \$2,001 and \$10,000, or **36%** of total plan costs or \$29,788,752.
- **50%** of total claims submitted were generated by **3%** of those covered. Total claims for this group totaled **\$41,104,102**.
- **Average age of active employees** enrolled in the plan is **47**.

The basic principle of a "group" insurance plan is to spread the "risk", or medical/dental costs of a large group over all participants.

This results in more affordable rates, particularly for those in need of higher levels of health care service. In some years, there are employees who do not receive reimbursement because they do not have any health care expenses, or the little they do have falls within deductible limits.

Statistically speaking, in one out of ten years that same individual will have need to use the benefits as the result of a catastrophic medical illness or accident. As members of the group age, claims can be expected to increase due to increased use associated with getting older.

Rates can be expected to increase as claims levels increase.